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CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

25X1A

COUNTRY Macao

SUBJECT Increasing Pressure From Chinese Communist Government

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2. The Chinese Communists in Canton have looked upon Macao with a feeling of suspicion and hostility ever since they came into power in the winter of 1949-1950. The following are some of the causes of this unfriendly attitude:

- a. Unwillingness of the Portuguese authorities to accept Chinese Communist suggestions to bar Chinese Nationalist official agencies (e.g. the official representative of the Nationalist Ministry of Foreign Affairs). Many of these suggestions have been accompanied by valuable "gifts".
- b. Refusal of the Macao government to furnish information regarding Nationalist visitors in, and Communist escapees to, Macao.
- c. Increasing trend among Chinese schools in Macao to abandon the use of Communist edited textbooks and the mainland curriculum.
- d. Lukewarm attitudes adopted by Chinese merchants toward Communist orders of imported goods.

3. One of the reprisals meted out by the Canton Communists is the tightening of the control of Ch'ien Shan Pass and the increasing of heavily armed guards stationed there. Searching of travellers to and from Macao was noticeably intensified in August 1953. At the same time the number of guards was greatly increased, although the exact number was never disclosed. One brief write-up in the Communist sponsored Wen Hui Pao (a daily published in Hong Kong) about Christmas time 1953, which gave the figures as 2500 stepped up to 7500, was probably accurate according to vegetable vendors who have crossed the border.

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4. Another measure of reprisal is the increased control of pork exports from the mainland to Macao which somewhat parallels the action taken with regard to Hong Kong. In recent months there have been three periods during which the supply of pork to Macao was entirely cut off:

- a. Around Mid-Autumn Festival 1953 -- for about three weeks.
- b. 15-25 Nov 53.
- c. New Year season, 20 Dec 53 - 10 Jan 54.

Result: price of pork rose from HK\$275 per picul on 10 December 1953 to HK\$355 per picul as of the middle of January 1954.

5. Another phenomenon in the Macao market, created possibly by Communist reprisal immediately following Christmas day 1953, was the dumping of imported goods and supplies into Macao by the Canton Communists. The most noticeable items were:

- a. Imported chemicals, including dyes.
- b. Photographic supplies and equipment.
- c. Industrial supplies and equipment.

All the exports were routed to Macao by land and by water, and offered for sale at a price lower than the current cost in Macao.

6. That terrorist activities might be spread to Macao soon was indicated by the increase of blackmailing letters sent to educational administrators and school teachers, urging them to gear their school curriculum to the needs of the "people" or else -- . The first recent victim of planned battery was Lin Yin-tang, French educated former professor in the College of Education of the former Sun Yat-sen University in Canton, now engaged in organizing anti-Communist labor organizations in Macao. He was waylaid and beaten up by four ruffians on 26 Dec 53, after he had given an anti-Communist address the day before, on which the Nationalist Anti-Monarchy Day was celebrated.

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